



# BUDGET COMMITTEE



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## **PREPARED OPENING STATEMENT OF SENATE BUDGET COMMITTEE CHAIRMAN JUDD GREGG**

### **HEARING ON ADMINISTRATION'S FY 2007 FEDERAL BUDGET WITH JOSHUA BOLTEN, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET**

Good morning. Today we will hear testimony from Josh Bolten, Director of the Office of Management and Budget, on the Administration's budget request for Fiscal Year 2007.

Thank you for joining us today, Director Bolten. I would like to thank you and your staff for the excellent job you continue to do. The Office of Management and Budget may be one of the least known but most important offices in the federal government. I have often said that the federal budget is the memo that controls the meeting – it is a statement of our nation's priorities. It charges anyone appropriating federal funding to hopefully do so responsibly and prudently. You continue to do an excellent job at OMB and I look forward to your testimony today and continuing to work with you throughout this budget process.

Yesterday President Bush released his budget request for Fiscal Year 2007. I am pleased that it aims to continue the progress we made last year both to limit the growth of non-defense, non-homeland security-related discretionary spending while addressing mandatory spending programs that are threatening to overwhelm our nation's economy.

On Thursday, we heard from the Acting Director of the CBO on its Budget and Economic Outlook for the next decade. His message to us was clear – while our economy continues to grow and expand, we can not ignore the pending financial havoc that the retirement of the Baby Boom generation will wreak on our economy if these programs are left to grow at their current pace. The expansion of entitlement programs such as Medicare, Medicaid, and Social Security must be addressed if we are to leave future generations with the same opportunities our generation has enjoyed.

Working together, Congress and the Administration were able to pass a budget resolution last year that prompted Congress to pass the Deficit Reduction Act. The DRA includes nearly \$40 billion in deficit reduction over the next five years, and \$100 billion over the next decade. This is a step in the right direction, but given the enormity of the challenges we face, it is akin to dipping our toe in the water. It is my hope we can build on savings in the Deficit Reduction Act and continue to reform entitlement programs so that we do not pass an enormous tax bill onto future generations. The budget put forth by this Administration addresses our nation's international and domestic priorities while working to alleviate the affects of the Baby Boom generation's retirement on our nation's financial well-being.

I look forward to your testimony today, Director Bolten, and thank you for your continued service.